## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	
ELECTRONIC APPLICATION OF EAST	)
KENTUCKY POWER COOPERATIVE, INC. FOR	
A CERTIFICATE OF PUBLIC CONVENIENCE	)
AND NECESSITY AND SITE COMPATABILITY	)
CERTIFICATES FOR THE CONSTRUCTION OF	)
A 96 MW (NOMINAL) SOLAR FACILITY IN	)
MARION COUNTY, KENTUCKY AND A 40 MW	) CASE NO. 2024-00129
(NOMINAL) SOLAR FACILITY IN FAYETTE	)
COUNTY, KENTUCKY AND APPROVAL OF	)
CERTAIN ASSUMPTIONS OF EVIDENCES OF	)
INDEBTEDNESS RELATED TO THE SOLAR	)
FACILITIES AND OTHER RELIEF	)

# LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S INITIAL REQUESTS FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.

Comes now the intervenor, Lexington- Fayette Urban County Government ("LFUCG"), by and through counsel, and submits these Initial Requests for Information to East Kentucky Power Cooperative, Inc. ("EKPC" of the "Company") to be answered by the date specified in the Commission's Order of Procedure dated June 12, 2024, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer.

  Mercer can provide counsel for the Companies with an electronic version of these questions, upon request.

- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.
- (6) If you believe any request appears confusing, please request clarification directly from counsel for Mercer.
- (7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.
- (8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.
- (9) If the Companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify counsel for Mercer as soon as possible.
- (10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts

thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or

produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

- (11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.
- (12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.
- (13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.
- (14) LFUCG reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's current procedural schedule or if same is amended.

#### Respectfully submitted,

/s/ Dennis G. Howard, II

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Dated: May 31, 2024

# LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S INITIAL REQUESTS FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC. Case No. 2024-00129

- 1. Were any proprietary models used at any point during the preparation of this application? If yes, please provide a copy of any models.
- 2. Provide a copy of **all** materials for which the Company has claimed a privilege in this proceeding.
- 3. Did EKPC consider any other locations for the proposed for the proposed Bluegrass Plains Project? If so, please provide the locations. If not, explain why not.
- 4. What tangible, quantifiable benefits will the proposed Bluegrass Plains project provide to LFUCG? To the ratepayers in Lexington? To the Company's ratepayers in general?
- 5. What is the planned life of the proposed Bluegrass Plains facility?
- 6. Describe the Company's plan or expectations for decommissioning the project when the project reaches the end of its useful life.
- 7. Will the Company be required to post any bond for any decommissioning? Explain your answer.
- 8. Reference the application at page 5, paragraph 13 which "outlines a fixed operations and maintenance ("O&M") rate of \$15.97 per kW-yr" for the proposed solar projects. Please provide a page number in Attachment PB-2 to Exhibit 3 which demonstrates the \$15.97 rate for both the Northern Bobwhite Project and Bluegrass Plains Project.
- 9. Please provide the calculation with all supporting documents, in Excel with all formulae intact, for the \$15.97 per kW- yr rate as noted.
- 10. Does the \$15.97 kW-yr O&M cost include costs for anticipated solar panel replacement over the expected life of the facility?

- 11. Reference the application at page 5, paragraph 13 which "outlines a fixed operations and maintenance ("O&M") rate of \$15.97 per kW-yr" for the proposed solar projects. In the manner used to answer Request No. 9 above, please provide the fixed O&M rate for the following:
  - a. EKPC's coal generation,
  - b. EKPC's natural gas generation,
  - c. EKPC's landfill gas-to-energy facilities, and
  - d. EKPC's Community Solar facility.
- 12. Reference the application, page 6, paragraph 16. The Company states it has "obtained options to purchase and own this property."
  - a. When did the company obtain the options?
  - b. At what cost were the options?
  - c. Did the Company purchase the options exclusively for the purpose of siting a solar facility at the location? If not, please explain.
- 13. Has the Company approached officials with the LFUCG about building the solar facility at the location?
  - a. Who did the Company approach with the LFUCG?
    - i. Provide dates and locations of any meetings, and
    - ii. If any materials were used at any meeting, please provide a copy of the materials.
- 14. At any time before the filing of this application or during the current pendency of the application to date, has the Company approached the mayor of Lexington for any agreement on the Company's proposed construction of the solar facility? If not, why not? If yes, provide the following information:
  - a. Names of people with whom the Company met,
  - b. Dates and locations of any meetings, and
  - c. Copies of any materials discussed.
- 15. At any time before the filing of this application or during the current pendency of the application to date, has the Company approached the City Council of Lexington for any agreement of the Company's proposed construction of the solar facility? If not, why not?
  - a. Names of people with whom the Company met,
  - b. Dates and locations of any meetings, and
  - c. Copies of any materials discussed.

- 16. Reference the Application at page 6, paragraph 17 where the Company states "the proposed solar projects above are necessary to provide safe and reliable service to the service area while also satisfying increasing customer demand for renewable energy resources and renewable energy credits ("RECs").
  - a. Provide Company specific evidence that customer demand has increased. To wit, has there been an increased demand for the REC tariff?
  - b. Provide a reference to the tariff sheet on file with the Commission for the REC.
- 17. Reference the Application at page 6, paragraph 18. Provide all information regarding the Company's review of "alternative means to invest in renewable energy resources."
  - a. In its review of the resources, please detail what is meant with the criteria "least impact on the surrounding area and the property owners."
  - b. Was a "no build" solar option considered?
- 18. Reference the Application, page 6, paragraph 18, "The solar energy from these projects will provide low-cost energy during summer peak months, with limited production during winter load months. Explain what the Company means with "limited."
- 19. Reference the Application, page 7, paragraph 19, at the sentence "In order to evaluate the alternatives thoroughly, EPC's power supply department conducted studies and issued requests for proposals ("RFP") to determine the best place to construct the solar facilities and the best method of construction." [See Tucker page 12]
  - a. Provide copies of the studies.
  - b. Were any outside, independent parties involved in the "studies"?
  - c. Provide copies of all RFPs.
- 20. Who made the final decision to proceed with the solar proposals in this Application?
  - a. What criteria was used. Provide a copy of all materials used in the decision-making process.
  - b. How was the decision made, as in was there a vote taken?
  - c. When was the decision made?
  - d. Provide copies of all documents used in the formal decision-making process.

- 21. Reference the Application at page 7 at paragraph 20. Please provide a detailed, comprehensive description of the PJM process for getting the Company project listed in the "queue."
  - a. When does the Company expect to have an executed service agreement for the Bluegrass Plains Project with PJM?
  - b. What are the expected terms in the agreement?
  - c. If any of the terms are unsatisfactory to the Company, will the Company execute the agreement regardless?
- 22. Reference Application Exhibit 2, Attachment JJT-2, EKPC Sustainability Plan, page 7 of 8, at the table "Building Equity While Keeping Member Costs Low." Explain the meaning of the table.
  - a. Provide a similar table with data going through the most current date possible (i.e., going past the year 2020).
- 23. Would the all-in cost to produce solar electricity from the proposed Bluegrass Plains project be more costly (kWh) than that of EKPC's existing:
  - a. Coal-fired generation,
  - b. Natural gas fired generation,
  - c. Landfill gas-to-energy generation, and
  - d. Community Solar facility energy.
- 24. Reference Exhibit 2, Pre-filed Direct Testimony of Julia J. Tucker, page 5. Please provide a list of the state stakeholders with whom EKPC has worked in order to "ensure high reliability and economic viability while mitigating evolving regulatory challenges" and "to respond to the legal, regulatory, and industry pressures to decarbonize the fleet through solutions based on science, engineering and economics that ensure electric service continues to be highly reliable and available at an acceptable cost to the public."
  - a. Does EKPC consider LFUCG a stakeholder in the process? If not, why not.
  - b. If yes, please state the number of times EKPC met with any representative of Lexington.
- 25. Reference testimony of Tucker, page 5, line 17. Explain "beneficial electrification."
- 26. Reference testimony of Tucker, page 7, lines 9-12 where the witness states "EKPC has sufficient capacity resources to meet its forecasted summer load peaks for several years, but the proposed solar projects provide additional economically and environmentally advantageous energy which improves the overall EKPC power supply portfolio." Provide a quantifiable mathematical basis for this assertion with supporting back up materials.

- 27. Reference testimony of Tucker page 7, lines 13-15, where the witness testifies 88,000 single axis tracking PV modules would be constructed at the Bluegrass Plains facility. Regarding the modules, or panels in lay person terms, please provide the following:
  - a. The country of manufacture,
  - b. Expected life in years in general,
  - c. Expected life in years based on Kentucky average climate,
  - d. Expected life in years based on the Company's assigned depreciation schedule,
  - e. Expected life in years based on the Company's anticipated worst case schedule proposition as insured, if any,
  - f. Anticipated replacement cost stated in comparison to year of install (for example, x 1.2% per annum),
  - g. Anticipated time for replacement panel to be delivered after order,
  - h. Description of warranty(ies), if any.
- 28. Can the modules planned for this project be recycled. If yes, describe the process. If not, will the panels be discarded as solid waste?
- 29. Please provide a copy of any insurance policy purchased by the Company to cover damage to the Bluegrass Plains facility. If no insurance policy exists, has the Company explored insuring the facility. If yes, under what terms. If not, why not?
- 30. Reference testimony of Tucker, page 11, lines 4-5 where the witness states "EKPC has no current plan to retire any of its fossil-fuel electric generating units. The proposed solar facilities are new intermittent resources." If the solar projects are approved and the energy ultimately becomes available, will this affect the dispatch, or use in general, of the rest of the fleet? If yes, please explain. If not, please explain.
- 31. Reference testimony of Tucker, page 15, lines 22-23 where the witness states "Additionally, new federal programs were emerging that made it more palatable for EKPC to construct and finance solar projects..." Please list and describe the programs.
- 32. Reference testimony of Tucker, page 17, lines 20-21. Provide a list of the previous self-build projects referenced by the witness.
- 33. Reference testimony of Tucker, page 18, lines 10-11, where the witness testifies "EKPC is working with the developer to determine if the energy can be reliably and economically delivered to EKPC owner member loads." If the answer to this question is no, will EKPC withdraw this application? If not, why not?

- 34. Refer to the Application and all accompanying materials filed with the Commission in this case to date. State where, if any, the Company concludes the cost of the proposed solar power generation is cheaper than any other existing generation in its existing fleet.
- 35. Refer to the Application and all accompanying materials filed with the Commission in this case to date. Does the Company believe its ratepayers will purchase solar generation regardless of the rate charged by the company. If yes, please explain. If not, please explain the answer.
- 36. Reference Exhibit 3, Pre-Filed Direct testimony of Patrick Bischoff, page 4-5. What information was given to NRCO to assist it with the preparation of the RFP?
- 37. Reference testimony of Bischoff, page 14, lines 1-8, where the witness testifies the total estimated cost to construct Bluegrass Plains Solar project is \$101,744,634. Please answer the following:
  - a. Please break down the "Major Equipment and Materials" cost of \$48,740,992 into subcategories or other allocations sufficient to demonstrate the cost of the solar equipment versus other equipment or materials.
  - b. Break down the "Construction Labor" cost of \$38,194,975 into accounts sufficient to demonstrate solar versus other costs.
  - c. Provide a description of "Owner's Engineer" cost of \$627,550.
  - d. Provide a description and breakdown of "Owner's Costs" of \$4,250,225.
  - e. Provide a breakdown of the "Site Acquisition" cost of \$9,960,930. How much was paid for the purchase of the real property in Fayette County?
- 38. Reference testimony of Bischoff, page 14. Does the \$101,744,634 cost include the PJM interconnection? If not, please provide that cost and state whether it is estimated.
- 39. Please provide a list of all costs associated with the construction of the Bluegrass Plains Solar project if it is different than \$101,744,634. Please list any discount, forgiveness or credit to the total, whether it be associated with the Inflation Reduction Act or otherwise.
- 40. Reference testimony of Bischoff, page 14, lines 18-19, where the witness testifies, "Due to the current position of the Bluegrass Plains Soar project in the PJM interconnection queue, the system upgrades for the project are not finalized. The final cost allocations associated with system upgrades will be provide in the System Impact Study." When does the Company anticipate the System Impact Study will be completed?
  - a. Will it be down before this case is decided?
  - b. Is the referenced impact study different than the impact study noted in Attachment PB-1, "East Kentucky Power Cooperative NRCO 2021- Solar

Proposal Revised – May 2023," page 5, which states "The Project is currently in the PJM queue Transition Cycle #1 AE2, with Feasibility, Facility, and System Impact Studies having already been completed."

- 41. Reference testimony of Bischoff, page 14, lines 22-23. Provide a detailed breakdown of all costs in the \$15.97 O&M per kW per year figure.
- 42. Reference testimony of Bischoff, page 15. Provide a copy of the letter, email, or other document issued by the Company requesting Tetra Tech to develop a Site Assessment Report for the Bluegrass Plains Project.
  - a. Provide the amount Tetra Tech was compensated for the Site Assessment Report.
- 43. Reference Exhibit 4, Pre-filed Direct testimony of Thomas J. Stachnik, page 4, lines 10-12. Please provide the Asset Purchase Agreement for Bluegrass Plains Solar Project as referenced by the witness.
- 44. Reference testimony of Stachnik, Exhibit 4, page 4 -5. Please describe the additional favorable financing options that might be available under the Rural Utilities New ERA program.
- 45. Is the project in Fayette County comprised of property belonging to more than one landowner? Please list all landowners involved in the project and provide the terms of use of their property, including copies of any leases or purchase options.
- 46. Reference Exhibit 3, Attachment PB-1, "East Kentucky Power Cooperative NRCO 2021- Solar Proposal Revised May 2023," page 9 of 70, "Bluegrass Solar has 388 acres of available land located in an agriculture rural zone. Two Memorandums of Option were signed with the landowners in 2018." Please provide copies of the memorandums.
- 47. Reference the application in general. Are there any warranties for any of the equipment or materials in the solar facility? If yes, please describe any warranty and provide a copy of the warranty (ies).
- 48. Reference Exhibit 3, Attachment PB-3, "Bluegrass Plains Solar Project Site Assessment Report April 2024", at page 7 of 193, at paragraph 2.6. "It is anticipated that any electric service needed at the site after construction is complete (O&M) will be provided either by the electricity generated at the site (during daytime operations) or by EKPC transmission/distribution service (during nighttime operations)." For what purposes does the Company anticipate the use of electricity at the location at night? Is this cost currently included in the O&M cost listed in the application?
  - a. What measures does the Company contemplate using for security at the premises?

- 49. Reference Exhibit 3, Attachment PB-3, "Bluegrass Plains Solar Project Site Assessment Report April 2024", at page 7 of 193. Where is the closest fire hydrant for fire services to the facility?
- 50. Reference Exhibit 3, Attachment PB-3, "Bluegrass Plains Solar Project Site Assessment Report April 2024," page 14 of 193. Has the Company prepared any emergency plan for first responder assistance for the Bluegrass Plains facility if it catches on fire or suffers an explosion. If yes, please provide it. If not, why not?
- 51. Reference Exhibit 3, Attachment PB-3, "Bluegrass Plains Solar Project Site Assessment Report April 2024," page 14 of 193. Has the Company prepared a decommissioning plan? If yes, please provide a copy. If not, why not?
- 52. Reference Exhibit 3, Attachment PB-3, "Bluegrass Plains Solar Project Site Assessment Report April 2024" and the Application in general. What is the anticipated water displacement for every inch of rain on the solar facility?
- 53. If the Company is meeting its energy demand and solar generation comes online, does the Company change the use of the rest of the generation if there are no off-system sales available?
- 54. To the best of the Company's knowledge, will Lexington receive any sales tax revenue from the sale of energy from the Bluegrass Solar facility?
- 55. Is there income tax when EKPC employees are conducting work in Fayette County either construction or maintenance?
- 56. Provide a schedule for the Bluegrass Plains Project, starting with Commission approval to the completion of the project, including the length of each construction phase.
- 57. Provide a preliminary site layout. Include:
  - a. Security fencing,
  - b. Access Roads,
  - c. Construction entrances,
  - d. Panels,
  - e. Inverters,
  - f. Substation,
  - g. Battery, and
  - h. Transmission line.

- 58. Provide the Fayette County zoning and setback requirements for the project, if any.
- 59. Provide any plans to coordinate with local landowners in case of complaints or other issues that might arise during construction or operation of the project.
- 60. Provide a detailed table listing all residential structures located within 2,000 feet of the Project boundary line. For each structure, provide:
  - a. The distance to the boundary line,
  - b. The distance to the closest solar panel,
  - c. The distance to the nearest inverter, and
  - d. The distance to the substation.
- 61. How many properties are immediately adjacent to the proposed project. Did the company contact any of the adjacent property owners in Fayette County regarding its proposed facility?
- 62. Describe any communication about the Bluegrass Plains project with landowners within 2,000 feet of the construction site boundaries.
- 63. Did the company have any discussions with the adjacent property owners or any other persons or entities about potentially utilizing any additional land in Fayette County for solar facilities? If so list please list all such persons or entities and their contact information.
- 64. Provide a list of permits from other local, state, or federal agencies that have been or will be obtained prior to construction or operations.
- 65. Provide any communication with the neighboring communities regarding the project. State whether any public meetings/open houses have been held and if so, provide the date and location of the meetings.
- 66. What is, or will be, the street address of the proposed project in Fayette County?
- 67. Assuming the Commission approves the proposed project in Fayette County does it make it potentially more cost beneficial or efficient to obtain additional property for solar use in Fayette County should the company desire to expand its solar footprint?
- 68. Is EKPC aware that the proposed Bluegrass Plains Project site is zoned agriculture? If yes, is the Company aware that the LFUCG has historically limited commercial and industrial uses in agricultural zones?

- 69. Is EKPC aware that LFUCG does not allow commercial scale solar facilities under its zoning ordinances? If yes, to what extent does this knowledge factor into the Company's proposed project.
- 70. Is the Company required to receive any LFUCG approval for construction of the Bluegrass Plains Project if it is approved by the Commission? If the answer is yes, please describe in detail the approvals required, the department involved, and any applicable date(s).
- 71. Does EKPC take the legal position that it is exempt from LFUCG's zoning requirements? Explain your answer.
- 72. What additional plans for solar facilities does the company have?
- 73. How often does the company consider adding additional solar facilities?
- 74. What percentage of the potential energy produced by the solar facility in Fayette County would be available for consumption by Fayette County customers? What percentage would be guaranteed for consumption by Fayette County customers?
- 75. Would the proposed solar facility in Fayette County result in the creation of any full-time jobs? If so, how many, and how many of these jobs would be cited in Fayette County? Please provide an estimate of the general annual salaries or wages that would be generated annually for employees cited in Fayette County.

## Certificate of Service

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accordance with all other applicable law, Counsel certifies that an electronic copy of the foregoing was served and filed by e-mail to the parties of record on this 31st day of May 2024.

<u>/s/ Dennis G. Howard II</u> Dennis G. Howard, II